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Least developed countries

Report of the Administrator

I. INTRODUCTION

1. In its decision 93/18 of 18 June 1993, the Governing Council requested the Administrator to inform the Council at its forty-second session (1995) of specific measures that UNDP has taken to address the special needs and priorities of the least developed countries (LDCs) in line with paragraph 4 of its decision 91/16; endorsed the priorities identified by the Administrator to assist in the implementation of the Programme of Action for Least Developed Countries, namely aid coordination and economic management and human development; and furthermore requested a strengthening of efforts in the priority fields of environment and poverty alleviation.

2. The present report covers those specific measures as well as others called for by decision 93/18.

II. AID COORDINATION AND ECONOMIC MANAGEMENT

3. To support national aid coordination processes such as the round-table process, Consultative Groups or thematic or sectoral meetings, Special Programme Resources (SPR) have been used to finance technical support and logistics as well as to help build national capacities for improved coordination and management of aid.

4. Two major umbrella projects were approved in 1994 to support aid coordination processes in the Africa and Asia/Pacific regions. These umbrella projects are designed to allow for greater management of SPR by the regional bureaux and to provide more flexible and speedy support to the country offices. Thirteen LDCs in Africa and 11 LDCs in Asia and the Pacific will

receive support through these two projects. The total amounts earmarked are $2.4 million for the first group of 18 countries and $2.0 million for the second group. The design of these projects has incorporated lessons learned from past assistance: greater emphasis on capacity-building and continuous support and follow-up to aid coordination processes; greater reliance on national consultants and resources; and improving the quality of UNDP inputs and participation. An SPR project was approved to evaluate the SPR subcategories Round-table meetings and Support to Consultative Group meetings (D-1) and National technical cooperation assessment and programmes (D-2) together. The results of that evaluation will be available as a conference room paper at the annual session of the Executive Board in June 1995.

5. The major means for strengthening national capacity for aid coordination and economic management is, of course, through country and regional programmes. Nearly all country programmes in Africa stress capacity-building and public sector reform. In 1994, UNDP supported national capacity-building programmes of economic management in Angola, Burkina Faso, Malawi, Mozambique, Namibia and Zambia, among others. These programmes cover essential functions, including policy analysis, planning, programming budgeting, statistics, debt management and decentralization. Specific initiatives include the African Capacity-Building Initiative (ACBI), the National Long-Term Perspective Studies Programme (NLTP) and the NATCAP exercise, as discussed further below.

6. The round-table process continues to be an essential operational instrument for aid coordination. The improved procedures for the round-table process are now fully in use. During 1994, UNDP organized 5 round table meetings for Africa in Geneva and 12 in-country sectoral consultations in sub-Saharan Africa. These round-table meetings have brought the discussion of financial resource mobilization targets to the forefront, in contrast to some earlier round-table meetings that focused more on development policies. Sectoral consultations covered such areas as agriculture, human resources development and the social impact of adjustment. In 1994, as further examples, UNDP assisted Bhutan, Laos and the Maldives in holding aid coordination round-table meetings, including the preparation of documentation. In the Consultative Group process, UNDP supported Bangladesh in articulating the country's human development priorities in pursuing national development strategies and programmes. In most LDCs, UNDP supported in-country aid coordination on sectoral and thematic programme activities. In Haiti, UNDP led in 1993 a joint mission with the participation of the World Bank, the Inter-american Development Bank, the International Monetary Fund (IMF), the United States Agency for International Development (USAID) and the Organization of American States, which formulated the emergency economic recovery programme. This programme, budgeted at $660 million, served as a basis for the Consultative Group meeting in February 1995. It is recalled that, based on the note of the Administrator on Haiti's development needs and activities (DP/1995/4), the Executive Board decided to restore Haiti's indicative planning figure (IPF) to its original level as established by decision 90/34.

7. Sponsored by UNDP, the World Bank, the African Development Bank (AfDB) and other donors, ACBI seeks to strengthen national capacities to formulate and manage national economic policy reforms and to internalize long-term development planning. As of the end of 1994, 22 projects have been approved in 15 countries.

8. Introduced in 1991 to help African countries define national priorities to guide their development over a 25-year time horizon, the NLTP programme became fully operational in 1993. Four countries are at an advanced stage in the formulation of their NLTPs. Seven others have started the preparatory process and will complete their NLTP in 1995. UNDP commissioned an independent mid-term evaluation of the project, which will be presented to the Executive Board in 1995.

9. In 1994, the NATCAP mechanism generated renewed interest from both governments and donors, partly because of the stagnation or decline in aid flows to Africa and partly because of the reported limited impact of conventional technical cooperation over the past three decades. More than 30 countries in Africa have adopted a national policy framework for technical cooperation or are at various stages of preparing a technical cooperation programme (TCP). TCPs are being used to integrate technical cooperation resources into the budgeting process and to reorient them towards capacity-building. UNDP also helped organize a high-level Development Assistance Committee (DAC)/UNDP/World Bank meeting in June 1994 on improving the effectiveness of technical cooperation in the 1990s partly to help operationalize the 1991 DAC guidelines.

10. The following preliminary conclusions can be drawn: with its neutrality, UNDP has a key role to play in supporting national efforts at building aid coordination capacity in LDCs and that role should increasingly become the central task of country offices in these countries; UNDP should continue to participate actively in aid coordination processes providing analysis and inputs, particularly in its focus areas.

III. ENVIRONMENT, POVERTY ALLEVIATION AND HUMAN DEVELOPMENT

11. The new framework for UNDP cooperation contained in the report of the Administrator on initiatives for change (DP/1994/39) will serve to focus UNDP operations in LDCs increasingly on the above priorities. UNDP efforts seek to deal with these priorities for LDCs in an integrated and mutually reinforcing manner in country and regional programmes as well as in other specific initiatives so as to promote sustainable human development.

12. Many country programmes in LDCs have included as objectives environmental management, covering such themes as conservation, control of pollution and desertification. Focal points for the environment have been designated in each of the country offices in LDCs to promote, develop and support environment programmes. The network of sustainable development advisors has further strengthened the technical capacity of country offices to support environmental and sustainable development activities.

13. As further examples of operational activities in the area of the environment, UNDP assisted the LDCs in the Pacific island countries for their participation in the United Nations Global Conference on the Sustainable Development of Small Island Developing States, held in 1994. The Pacific island LDCs were also supported in developing National Environmental Management Strategies.

14. Poverty reduction is the key objective in most country programmes in LDCs. In several countries, UNDP collaborated with key partners in formulating participatory and innovative approaches to reducing poverty. Emphasis now goes both to income generation and to issues such as access to basic services. New initiatives place special emphasis on bringing those living on the front lines of poverty into the policy debate and giving them a role in the formation and evaluation of programmes designed to address their needs. As a tool to provide a base line for poverty reduction and human development in general, several countries launched national human development reports. Special emphasis was placed on ensuring broad participation in the national report exercise and to further disaggregate data that will disclose important disparities between regions, between urban and rural centres, and to identify gender imbalances that lead to the exclusion of important sectors of society from the development process.

IV. FINANCIAL CONTRIBUTIONS OF UNDP

15. The attached table provides an overview of overall IPF allocations for LDCs for the fifth cycle at the present time as compared to past cycles. UNDP has over time allocated the majority share of its core resources to LDCs. Indeed, for the fifth cycle, the actual percentage amount of total country IPFs allocated to LDCs, 58.2 per cent, is above the threshold of 55 per cent set by the Governing Council, because of the inclusion of new LDCs. It is recalled that in 1994 Botswana graduated from the LDC category while Angola and Eritrea were admitted to the category, bringing the total to 48 LDCs and 3 "as if" LDCs. Although it has remained open for contributions, the Special Measures Trust Fund for LDCs has not received any further contributions since the fortieth session (1993) of the Governing Council.

V. OTHER INITIATIVES

16. UNDP will participate in the mid-term review of the Programme of Action for the LDCs, primarily through its reporting to the United Nations Conference on Trade and Development (UNCTAD) as the United Nations focal point for LDC matters on progress achieved in UNDP-funded operational activities for LDCs. An operational link has been established between UNCTAD and UNDP for coordination and exchange of information on LDC matters. Through country-level aid coordination mechanisms, UNDP will also assist governments where they so request in mobilizing additional resources to permit their participation in the review. Actual modalities will depend on national circumstances and conditions.

17. The capacity of UNDP to deal with the needs of LDCs in line with the recommendations of the Programme of Action for the LDCs is being strengthened by greater decentralization of programme responsibilities to the country level, which serves to increase the organization's responsiveness to changing national needs and priorities, and also by making support to aid coordination the central concern, as indicated above, of country offices in LDCs. Current inter-agency efforts at strengthening the resident coordinator system are expected to strengthen further the capacity of UNDP and the United Nations system in general to respond to the priorities and needs of the LDCs.

IPF allocations to least developed countries, 1972-1996 a/ b/

(Thousands of dollars)

IPF allocation	First cycle 1972-1976	Second cycle 1977-1981	Third cycle 1982-1986	Fourth cycle 1987-1991	Fifth cycle 1992-1996
African LDCs	261 972 (69.23%)	518 528 (76.71%)	671 762 (83.17%)	988 017 (83.95%)	944 972 (80.59%)
Asian LDCs	94 093 (27.89%)	248 175 (34.60%)	334 940 (37.26%)	466 035 (39.03%)	385 440 (41.10%)
Arab State LDCs	60 000 (26.97%)	91 700 (35.86%)	90 200 (45.62%)	128 375 (50.34%)	111 262 (57.42%)
Latin American LDCs	11 000 (4.00%)	24 073 (7.82%)	26 125 (12.20%)	45 236 (16.66%)	56 064 (26.50%)
TOTAL	427 065 (32.84%)	882 476 (43.34%)	1 123 027 (51.88%)	1 627 663 (55.25%)	1 497 738 (58.20%)

a/ Figures are for countries currently designated LDCs or "as if" LDCs.

b/ Figures in parentheses represent total LDC IPFs as a percentage of total country IPFs by region.